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ABSTRACT

For several years the U.S. Chamber of Commerce has been actively involved in educational and training affairs. Small businesses must overcome some inertia to become again interested in educational reform and training. The conflict that will occur between them and community-based groups that have been filling the void will only help the educational and training systems. Business organizations are interested in educational and training reforms and programs for a number of reasons: the dropout problem leading to skills shortages, demographic changes, and retraining midcareer and older workers. The business community sees proprietary schools as having the ability to respond quickly, to place students, and to retrain and upgrade. Proprietary schools must look at themselves, articulate strengths and weaknesses, and engage in public relations. The idea of developing a national youth policy is regaining interest and momentum. While the public educational delivery system has already failed or turned off dropouts, the flexibility and effectiveness of proprietary schools has been proven. Challenges to proprietary schools are as follows: training illiterate Americans, contracting with industry to do training for them, cooperating with public and private non-profit schools, keeping up with technological advances, and associating with accrediting organizations. (YLB)

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OUR CHANGING WORK FORCE - YOUR CHALLENGE & OPPORTUNITY

Association of Independent Colleges and Schools
1984 Convention
By
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October 15, 1984

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Let me thank you for that introduction, and let me especially thank you for inviting me to visit with you for a few minutes this gloriously beautiful morning at this exquisite vacation spot. I bring you greetings from the United States Chamber of Commerce -- some of you are members of our federation -- those of you who are not, I invite you to look us over -- see what we are about, and consider joining us as we work to make the free enterprise system stronger. Most of our members are small business

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men and women who are patriotic, profit and free enterprise oriented people just as you are.

For several years now, the U.S. Chamber has involved itself as an extremely active player in the educational and training affairs of our country. We, by ourselves and through coalitions with other business organizations, such as the National Association of Manufacturers, the Business Round Table, CED, National Alliance for Business and others, have found many grounds of mutual interest and understanding in this area of education and training, and we have vigorously attempted, with some high degree of success, to shape federal educational and training legislation. Through our local member Chambers, we have encouraged educational and training participation and support by businesses, both large and small, particularly at the local and state level. We have been involved in some of the task forces that have been studying the dilemma of our nation's schools. We have been speaking all across this great country on the importance

of education and training. I can tell you that there has never been a higher degree of interest and willingness to help by the total business community.

There has been and is some inertia that still must be overcome by small businesses all across this land in getting them really fired up and interested in educational reform and training. Let me dwell on this for just a moment because I will want to come back to it as it affects your opportunities in this next several years. Business has historically had vital interest in education, but during the 60's when redistricting and social changes were occurring in our country, and especially in our schools, the small business men and women across this country found a lot of downside risk in continuing to be involved in the support of public education. Now the big businesses, the Fortune 500 if you please, have supported education and training throughout these intervening years, and our country is indebted to them. But the small business men and women moved out for

a number of reasons: the turmoil created by those changes, the ups and downs of business required all of the effort and stamina that they had, and a host of other reasons. While they were moving out, the community based groups moved in to fill the void or the vacuum, and that has been the shape of things until just recently. Now we have renewed interest on the part of small businesses, but at the same time, these community based groups have found a home -- a power base, if you please, and they like it -- so we have some conflict, but this kind of conflict or competition, as it sorts itself out, can only accrue to the good of our educational and training system of this country.

I said educational and training <u>systems</u> of our country --- Let's look, now, for just a moment at these educational and training delivery systems that we have and let's put them in perspective. I would like to say at the outset that I am convinced that we have the very best system in the entire world -- and you all are a part of -- a very

vital part of -- that best system in the world.

The largest is the public delivery system -- guaranteed by our Constitution --- it has come under attack in the last couple of years -- a lot of change occurring all across the country -- all to the good.

Then next is the private, non-profit system -- it has historical roots in our country -- it sets high standards, its only reason for being is to be better than the public system and to offer an alternative.

Another delivery system is our military training -- very vital to this country's well-being -- it's good, and it is improving.

Then, your system --- the free enterprise --- for profit -- training programs and schools - a constantly growing and important delivery system. Important to this nation, but absolutely vital to the businesses of this country. A system that has a great heritage and is organizing even more formally, in setting standards for itself --- ao as to become a part of established

accrediting organization. Perhaps that single system, of all of the systems, has the most potential for growth and opportunity, and we will talk a little more about that later.

Now there are some other fragmented systems, such as the Department of Labor's programs and other specialized schools such as prison training programs, but the four that I mentioned are the backbone of our country.

Now, why, you might ask, are all of these business organizations so involved -- so interested in educational and training reforms and programs of all kinds. There are a lot of reasons -- some of them altruistic, but many of them very practical and bottom-line oriented. Let's talk about some of these reasons.

First of all, is the drop-out problem in our public system. Over 850,000 drop-outs per year. Our country can ill afford the loss of these potential workers or the price they ultimately demand in terms of support by tax

dollars. This huge number - 850,000 -- adds to -- each year, the number of illiterates in our country. The federal government estimates that 27 million Americans are functionally illiterate. This translates to approximately one out of every nine adult Americans. It is within this group that we find our unemployed. The Business Round Table just released a frightening statistic that for every 1% increase in unemployment, our deficit increases by one billion dollars. We cannot afford to to lose the vital contributions of a single American, let alone 850,000 a year -- and our ability to survive depends on our making these 29 million functionally illiterate Americans productive or more productive.

These staggering statistics boggle our minds, and then, too, we recognize that we are facing unprecedented international competition and have now and will have an even more severe skills shortage in this country over the next ten or twelve years. The federal government estimates

that in this decade alone there will be 17 - 19 million new jobs created -- jobs that don't exist now -- most don't even have job descriptions -- and 80% of these jobs will be in companies that have less than 100 employees -- small businesses. Talk about opportunity for your organizations -- and I will more in just a minute.

Another reason for the U.S. Chamber's interest in education and training is that our country is undergoing historical demographic changes. Today, 25% of the enrollment of our nation's public schools is of minority origin, and this percentage is growing -- many of these children come from homes where English is only the second language, and sometimes a poor second.

Think of the problems of training and assimilating this 25% into the work force of this country. Again, another challenge and opportunity.

One other "new reality" of American education and training that I'll mention is "gray power." In 1983

there were more people 65 years of age and older than there were teenagers. From 1940 - 1990 the ratio of retired citizens is expected to go from 10 to 1 to a projected ratio of 2 to 1. In addition, there is the challenge and the opportunity of retraining mid-career and older workers in our country.

Now if you dwell on those statistics, you begin to get a sense of the tremendous challenge that we have in this country -- of being competitive -- of having enough trained workers and we may not have -- of decreasing, or at least stabilizing, the huge tax bite that must be expended because of poverty and illiteracy.

One of the studies that we now have underway is trying to see if we are going to have enough people to man our offices and factories by the year 2000 -- especially if the economy continues to grow and if we are to maintain our international competitive posture. This study has serious implications for Mr. & Mrs. small business person

in our country. If General Motors, for instance, needs 5000 workers and can't get them, they have the resources to find and transport workers from Mexico or wherever, to house them and train them, and assimilate them into their work force. But a small business doesn't have those kinds of resources. They don't have the resources or expertise even to train their workers, but you do and in the next twenty years, these kinds of opportunities for you and other members of this organization could be far greater than you imagined.

It has been interesting to me to observe the activities of consulting firms who specialize in long-term planning for their clients -- most of which are big companies. One firm that I am familiar with -- an energy company -- oil and gas -- was advised that they should explore the whole service sector of the economy --- particularly the proprietary school market as it offered great returns on investment over the next twenty years. So there will be

competition, but that isn't a new phenomenon for you, or for any of us in the free enterprise system.

Let's look for a minute at your organization -- what does the business community see -- your capabilities -- your expertise -- your place in this whole picture of training and education. First of all, we are struck by your ability to respond to the market place -- a quick response; by your ability to train quickly -- your students get what they enroll for and then move into the job market; we are impressed by your flexibility in time schedules; we are impressed by your placement services; the business community is impressed by your proven ability to retrain and upgrade -- and I suppose the business community is most impressed by the fact that you don't survive if you are not successful, and that success is measured in the same manner that all businesses are measured -- and that is what happens to the bottom line.

We are impressed that you are almost totally involved

in job and work training, and this is one of the great needs, today and in the future, of the business community.

The nation in general is impressed with the fact that you are becoming even more so, a dynamically organized association with high standards, specific goals and codes of ethical conduct.

You are performing a vital function for the work force of this nation. We can't do without you. But this is not to say that you are going to be exempt from, or escape the examination that is going on all across this nation of our educational and training systems. Already the dialogue is moving to institutions of higher learning. What kind of a job are they doing and at what costs? Private, non-profit schools are having to reexamine their role to see if there is still a reason for their being.

The dialogue will most surely move to the area of proprietary schools. It is timely for you to begin now to look at yourselves, to have answers -- to discover and

articulate your strengths and your weaknesses. It seems timely, too, that you begin to speak in one voice -- to engage in a little P.R., if you please -- a little tooting of your own horn.

We are in a time of change and new ideas. One interesting idea that seems to be regaining interest and momentum is that of developing a national youth policy. This has been around the horn several times in this country, and for a number of reasons, hasn't gotten off the ground. It has some interest in both parties now, and it seems to be an issue that would be attractive to the business community. I am not talking about universal military training, but it could have some of that, or as an alternative, some other kind of national service for some period of time. The real opportunity, though, for a national youth policy, could be that the nation would have one more chance to channel those 850,000 drop-outs into some kind of meaningful training programs that would lead to productive jobs.

This, of course, would mean job training and specific vocational training on a large scale, and who has the most experience and expertise in dealing with these youth than members of your organization. The public educational delivery system has already failed them or turned them off for a variety of reasons, while your flexibility and effectiveness has proven its worth over and over again. This idea might once again fall on barren soil, but if it should get off the ground it will take a good many months and years to get into gear, but this could be an area of great opportunity for the proprietary schools of this nation.

Now, I have talked too long on this beautiful morning and I appreciate your courteous attention -- let me wrap this up with a recap of challenges and opportunities as we see them for your organizations.

First of all, keep doing what you are doing, but do more of it -- and tell the American public what you are

doing -- Think about the challenge of those 27 million functionally illiterate Americans -- how to train them -- Consider those Americans where English is the second language -- how to bring them up to par as far as speaking and reading English is concerned. You have special skills and expertise in dealing with these kinds of people -- develop those programs that can make them productive -- price them to make a profit for yourselves and watch this nation knock your doors down.

Next, some of you are already doing it, but most of you are missing real opportunities to contract with industry to do their training for them. Small businesses, especially, have got to be a ripe market. They are beginning to realize that to survive and be competitive, they have got to be more productive. It may take some selling -- person to person -- but the opportunity is there.

As you grow in other areas, the need for cooperating

with both public and private non-profit schools becomes increasingly important. This is difficult -- there is much distrust -- dialogue, however, cannot do anything but help. Your practical efficiency can make contracting with some of those institutions for some of their training a reality. Difficult, yes --- but possible in a few places here and there at first, and slowly a general acceptance -- but it all starts with dialogue and communication.

One of the biggest challenges that you face, it seems to me, is keeping up with technological advances in training and equipment. It has always been so, but if the technological explosion occurs like so many say it will, this will become ever more important than it is now. Teaching and training methods fall into this same category of challenges.

The challenge continues, to associate yourself with the already existing accrediting organizations. This

isn't easy -- the communications problem raises its head again and again. Aims and goals are sometimes not in sync, but the public at large in this country sees these organizations as measures of competency. The making available to you of state, local and federal funds also many times is dependent on these kinds of associations. In the future, your ability to participate more in federally funded training programs should be of prime importance and could be tremendously profitable to you.

I really have talked too long now -- so in closing, let me once again emphasize the fact that you are a tremendously important cog in the vitality of this nation's free enterprise system. You perform a service that the business community simply cannot do without. We in the United States Chamber applaud your industry and the services you perform.

At the same time, I want to publically thank Steve Friedheim for the tremendous help that he has been to the

U.S. Chamber and, especially, the Education and Training Committee over the past several years. He has labored long and hard in the vineyard, and he has represented your industry well. The whole matter of involving the business community in education and training -- how much -- how deep -- how to -- has taxed all of us to the utmost, and Steve has been a vital part of those deliberations and actions. His leaving Washington will, no doubt, leave a void there, but we welcome him to the south and will be about the business of teaching him what grits and collard greens are all about.

Steve, thanks for everything -- and thank you all for inviting me to meet with you.